

FISCAL NOTE

Bill #: SB0260

Title: Revise permissible investments of funds by school districts

Primary Sponsor: Dale Mahlum

Status: Third Reading

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. There are 450 school districts. The Trustees in 100 school districts will elect to transfer monies in the district general fund to an independent investment account.
2. An additional 100 payee accounts will be established in the automated system used by the Office of Public Instruction (OPI) to make BASE aid payments. The OPI will establish these 100 accounts based on information received from school districts with no verification of an account's legitimacy or district compliance with the provisions in SB260.
3. The OPI will pay district BASE aid payments to 45 counties, to the State Short Term Investment Pool and to 100 independent investment accounts through the ACH (Automated Clearing House) system.
4. Districts will pay the Department of Administration for BASE aid ACH transfers made by the OPI.
5. School districts that establish non-spending investment accounts will transfer funds back to the county treasurer in sufficient time to pay all claims presented against funds of the district.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

School district auditors are required to audit independent investment accounts established by districts under the provisions of SB260. As a result, audit costs for districts that have such accounts may increase.